

CITY OF ALAMO HEIGHTS
CITY COUNCIL
July 24, 2009

A special meeting/work session of the City Council of the City of Alamo Heights, Texas was held at the Council Chambers, 6120 Broadway, at 8:30 a.m. on Friday, July 24, 2009.

Present and composing a quorum were:

Mayor Louis Cooper
Mayor Pro-Tempore Bill Kiel
Councilman Stan McCormick
Councilman Bobby Rosenthal
Councilwoman Jill Souter

Also attending were:

City Manager Rebecca Waldman
Assistant City Manager/Public Works Director Shawn P. Eddy
Assistant to City Manager/Information Technology Manager Marian Ramirez
Finance Director Cynthia Barr
Community Development Director Ann McGlone
City Secretary Jennifer Reyna
Fire Chief Bill Hagendorf
Assistant Fire Chief Buddy Kuhn
Police Chief Rick Pruitt

Absent were:

Councilwoman Susan Harwell
City Attorney Mike Brennan
Human Resource Manager/Deputy City Secretary Judith E. Surratt

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Mayor Louis Cooper opened the meeting at 8:40 a.m.

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City Manager Rebecca Waldman provided a brief overview of the agenda. Details included discussion of community input, changes to the new proposed City Hall Complex, cost estimates and potential financing.

Community Development Director Ann McGlone informed City Council of the feedback received from the community that consisted of residents, boards and commissions, architects, and Citizens Advisory Group (CAG) members. Ms. McGlone noted that during the public input process the community made suggestions and expressed concerns regarding proposed city facilities. Suggestions included: a defined visible city hall entrance, the Police Station to be located closer to Broadway, executive staff offices located on the 1st floor of the proposed floor

plan, 2nd alley access off Henderson Street be eliminated, one-way driveway access between the proposed Fire Station and the City Hall Complex be widened to two-way, the addition of sidewalk and landscaping on Blue Bonnet Boulevard; allowance for potential growth and building the new facility within reasonable means. These concerns were conveyed to staff and to Lake/Flato Architects. In response to expressed concerns, Lake/Flato Architects produced a new one-story site plan that incorporated the suggestions.

Bob Harris and Brantley Hightower, Lake/Flato Architects, presented the new configuration of the City Hall facilities. The main revision to the original design is the new single-story layout that increases accessibility, functionality and reduces construction cost. A shared lobby will be placed at the main entrance to the facilities off Broadway allowing direct access to the Police Station, Community Chamber and Customer Services area. The public courtyard has been re-orientated towards Blue Bonnet to provide for more public access from the public parking area. The 1928 "tin man" 100,000 gallon elevated water tank will be removed to accommodate the more efficient and functional one story design and allowing for the widening of the alley off Broadway to maintain two-way traffic and reduce potential traffic on residential streets.

Councilman Bobby Rosenthal asked if the structure will be built allowing for future expansion if needed. Mr. Harris responded that they are exploring the cost of a structural column system allowing for the option of a second-story in the future.

Councilwoman Jill Souter briefly explained the reasoning for the decision that resulted in removing the "tin-man" water tower which included expressed concerns from the Henderson Street residents, the overall cost of maintenance, and utilizing a building layout plan that provides access to the citizens and staff. Councilman Stan McCormick asked about the maintenance costs of the water tower. Mr. Eddy responded that there is a state requirement for water towers to be painted every 10 years, which is estimated to cost \$200,000 - \$300,000. Mayor Pro Tem Bill Kiel expressed that he first had concerns about the loss of services and revenue received from the wireless telecommunications located on the "tin-man" water tower, however; Mayor Pro Tem Kiel noted that telecommunication services will not be interrupted nor a loss of revenue will be realized. Mayor Pro Tem Kiel agreed with Councilwoman Souter that the new site plan allows the City of Alamo Heights to better conduct business and provide excellent services to the community. All options of keeping the "tin-man" water tower in the site plan were considered.

Dick McNary, Executive/Senior Vice President, Project Control of Texas, Inc. summarized that the new building layout is more cost effective than the prior schematic scheme that was presented in June 2009. Mr. McNary reviewed the construction and soft costs estimates which included the design, furniture, fixtures, equipment, property acquisition and contingency. He explained that part of the construction cost savings is by considering stucco instead of precast concrete as a construction material. He stated that a contingency cost is being added in order for the city to be financially prepared for any additional costs in construction of the city facilities. A cost estimate sheet was distributed and made part of the papers of this meeting.

Assistant City Manager/Public Works Director Shawn P. Eddy provided an overall review of the General Obligations bond process, amount and timeline. Mr. Eddy stated that from the 2007 Certificate of Bond issuance, \$600,000 was earmarked for facilities. He noted that the calling for the election of the General Obligations bond will be at the August 24, 2009 City Council meeting. There was an assumption of a 5% interest rate for a 20-year term note which would result in a proposed tax rate of \$.0594 per \$100 valuation of homes. Mr. Eddy informed City Council of the temporary relocation costs to be charged against the General Fund which includes the cost of a leased location for the Police administration, Public Works administration and the Administration/Finance staff. Mr. Eddy provided a timeline of March 2010 to break ground and the City Hall Complex to be completed by June 2011.

Tina Smith, 131 Blue Bonnet Boulevard, expressed concern about staff parking. Ms. Smith asked that city employees be discouraged from parking on Blue Bonnet Boulevard. Ms. Smith commented on the need to provide landscaping on Blue Bonnet Boulevard and expressed favorable support of the removal of the "tin-man" tower in the site plan.

John Joseph, 206 Joliet Avenue, expressed concern about the total costs of funding the proposed new city facilities. Mr. Joseph suggested seeking a shorter amount of time to finance the building of the city facilities to decrease the interest to be paid.

In response to Mr. Joseph's suggestion, Mr. Eddy informed Mr. Joseph that financing the construction of the city facilities as a 10-year term note would result in a higher tax rate for property homeowners within the 10-year timeframe. Mr. Eddy commented that financing the General Obligation Bonds as a 20-year term note allows future residents to assist in financing the city facilities that will be utilized by the future residents. Mayor Pro Tem Kiel recommended consideration of establishing a fund that enables the City to save money and submit additional payments to pay-off the note earlier.

Mayor Pro Tem Kiel recalled a prior assessment to remodel the city facilities. In spring 2008, the facility assessment displayed that it was cheaper to build new facilities rather than to restore or remodel the current city facilities. Councilman McCormick stated that due to today's economy, the City of Alamo Heights has an excellent opportunity to take advantage of low interest rates and cost of construction.

Laura Theurer, 139 Wildrose Avenue, commented that the "tin-man" tower is wanted by the majority of the residents of the community.

Tony Cantu, reporter, asked about the credit standing on the last bond issue and the City's current bond rating. Mr. Cantu also asked if there were funds in the last issue for City facilities. Mr. Eddy responded to Mr. Cantu that there were \$600,000 from the 2007 Certificates of Obligation Bonds designated to repair, modify and renovate various City facilities and pay professional services related to such projects. Mr. Eddy explained the process of how the monies from the 2007 Certificates of Obligation Bonds were earmarked to provide funding for the proposed city facilities. Michelle Aragon, Financial Advisor, First Southwest Company, stated that there are two options to finance the bond issuance, either in a private placement or an open market transaction. Ms. Aragon stated since the City had no debt prior to the last issue, there

was no bond rating. She is anticipating that the City of Alamo Heights will have an AA credit rating for the General Obligation bond issuance.

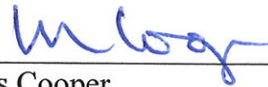
Mr. Eddy informed City Council and attendees that the proposed new site plan will be available on the city's website, www.alamoheightstx.gov for viewing.

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There being no further questions or discussion, Mayor Cooper adjourned the meeting/work session at 10:03 a.m.



Louis Cooper
Mayor



Jennifer Reyna, TRMC
City Secretary